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AUG 21

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

FCC 92-377

In the Matter of
Order to Show Cause
Directed Against

Mario J. Gabelli
and
Gabelli Funds, Inc.

MM Docket No. 92-201

Adopted: August 18, 1992 ; Released: August 21, 1992

ORDER TO SHOW CAUSE

By the Commission:

1. An application for transfer of control of WWOR-TV, Inc., licensee of station WWOR-TV, channel 9, Secaucus, New Jersey, from Pinelands, Inc. (Pinelands) to BHC Communications, Inc. (BHC) has been filed with the Commission. Review of this application reveals various media interests held by Mario J. Gabelli and various entities which he directly or indirectly controls, and for which he acts as chief investment advisor. This Order is directed to all interests held directly or indirectly by Mr. Gabelli and by Gabelli Funds, Inc., and any predecessors, successors, divisions, subsidiaries and affiliates of them.

2. These media holdings, as reported by Pinelands and BHC in their application and amendments are as follows: (1) 18.5 percent in Chris-Craft, parent company of BHC, which controls the licensees of KMSP-TV, Minneapolis, Minnesota, KTVX(TV), Salt Lake City, Utah, KUTP(TV), Phoenix, Arizona, KBHK-TV, San Francisco, California, KMOL-TV, San Antonio, Texas, KPTV(TV), Portland, Oregon, and KCOP(TV), Los Angeles, California; (2) Chairman of the Board and Chief Executive Officer of, and 40 percent in, Lynch Corporation, whose subsidiary, Lynch Entertainment Corporation, is general partner and 20 percent owner of Coronet Communications Company, licensee of television station WHBF-TV, Rock Island, Illinois; (3) 20 percent in, and director of, West-Land Communicators, Inc., licensee of WXPS-FM, Briarcliff Manor, New York; (4) 20 percent in, and director of, Rockland Communicators, Inc., licensee of WRKL(AM), New City, New York; (5) 5.59 percent in Associated Communications, licensee of WRKY(FM)/WSTV(AM), Steubenville, Ohio; (6) 22.02 percent in

Hector Communications, parent company of Pine Island Telephone Co., which operates cable systems in Pine Island and Oronoco, Minnesota; (7) 9.91 percent voting interest in Liberty Corporation (Cosmos Broadcasting), licensee of WSFA(TV), Montgomery, Alabama, KAIT-TV, Jonesboro, Arkansas, WFIE-TV, Evansville, Indiana, WAVE(TV), Louisville, Kentucky, KPLC-TV, Lake Charles, Louisiana, WTOL-TV, Toledo, Ohio, and WIS(TV), Columbia, South Carolina; (8) 9.73 percent voting share as to directors (greater for other matters) in Media General, licensee of WJKS(TV), Jacksonville, Florida, WFLA-TV, Tampa, Florida, and WCBD-TV, Charleston, South Carolina, as well as parent company of Cablevision of Fredericksburg (Virginia), Inc., and Media General Cable of Fairfax (Virginia), Inc., parent company of Garden State Newspapers, Inc., publisher of 11 daily newspapers, parent company of North Jersey Newspaper Co., publisher of one daily newspaper, and publisher of six newspapers in Florida, North Carolina and Virginia; (9) 13.36 percent in Outlet Communications, licensee of WCMH(TV), Columbus, Ohio, and WJAR(TV), Providence, Rhode Island; and (10) 5.75 percent (through various subsidiaries) in Paramount Communications, licensee of WDCA-TV, Washington, D.C., WLFL-TV, Raleigh, North Carolina, WTXF-TV Philadelphia, Pennsylvania, KTXA(TV), Fort Worth, Texas, WTXH(TV), Houston, Texas, and KRRT(TV), Kerrville, Texas. It is unclear whether Mr. Gabelli or Gabelli Funds, Inc. holds additional interests, directly or indirectly.

3. Sections 73.3555 and 76.501(a) of the Commission's Rules, 47 C.F.R. §§ 73.3555, 76.501(a), and Section 613 of the Communications Act of 1934, as amended, 47 U.S.C. § 533, limit the number and location of media holdings in which an entity, or entities under common control, can hold attributable interests, which include partners, corporate directors and officers, and shareholders of five percent or more of the voting stock. The attributable interests set forth above held directly or indirectly by Mr. Gabelli and Gabelli Funds, Inc. conflict with these multiple- and cross-ownership rules and the statute and therefore are impermissible holdings under the rules and the statute.¹ Other interests may be held by Mr. Gabelli or Gabelli Funds, Inc., directly or indirectly, which violate these and other multiple or cross-ownership restrictions.

¹ A July 14, 1992 letter from Salvatore Muoio, a securities analyst in the research department at Gabelli & Company, Inc., requests clarification of the Commission's attribution rules and stated that "[i]f we are in technical violation of Commission rules, we will lower our holdings to meet all Commission requirements and request one year to do so." In light of this order to show cause, Muoio's request for the one-year divestiture period is rendered moot.

4. We are gravely concerned about these apparent violations. Because we seek prompt resolution of these matters, we are directing that this case be considered on an expedited basis.

5. Accordingly, IT IS ORDERED, That, pursuant to Sections 312(b) and (c) of the Communications Act of 1934, as amended, 47 U.S.C. §§ 312(b), (c), and Section 1.91 of the Commission's Rules, 47 C.F.R. § 1.91, Mario J. Gabelli and Gabelli Funds, Inc. ARE DIRECTED to show cause why they should not be ordered to cease and desist from violating Sections 73.3555 and 76.501(a) of the Commission's Rules, 47 C.F.R. §§ 73.3555 and 76.501(a), and Section 613 of the Communications Act, 47 U.S.C. § 533, with respect to their media interests and holdings.

6. IT IS FURTHER ORDERED That, within 15 days of the date of this order, Mr. Gabelli and Gabelli Funds, Inc. SHALL FILE with the Chief, Administrative Law Judge or the Administrative Law Judge designated to preside at the hearing, a list of all entities including holdings in Mr. Gabelli's personal name) that hold Commission licenses, certificates or other instruments of authorization, or have applications pending before the Commission, in which they, directly or indirectly, hold an attributable interest under the relevant Commission rules. See, e.g., 47 C.F.R. §§ 21.912, 63.54, 73.3555, 76.501(a). With respect to such interests, the list shall include the name of the entity holding the Commission authorization and the type and location of the authorization involved, the nature and, where relevant, amount of their interest, the date on which their interest was acquired and, if not the same, the date on which it became attributable. This list shall be served on the Chief, Mass Media Bureau.

7. IT IS FURTHER ORDERED, pursuant to the above-referenced sections, That Mario J. Gabelli and Gabelli Funds, Inc. ARE DIRECTED to appear and give evidence with respect to the matters described above at a hearing to be held at a time and place to be specified by subsequent order, but not less than 30 days from receipt of this order, before an Administrative Law Judge unless the hearing is waived, in which event a written statement may be submitted. If they wish to avail themselves of an opportunity for hearing, they shall file with the Commission within 15 days of the date of this order, a written appearance stating that they will appear at the hearing and present evidence on the matters specified herein. See 47 C.F.R. § 1.91(c).

8. IT IS FURTHER ORDERED, that this hearing shall be conducted on as expedited a basis as due process, the Act and the Commission's Rules permit.

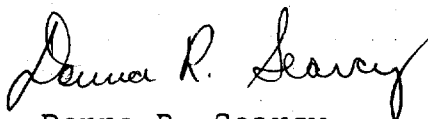
9. IT IS FURTHER ORDERED, that the Chief, Mass Media Bureau, shall be a party to the proceeding and that the burden of

proceeding with the introduction of evidence and the burden of proof shall be on the Chief. See 47 U.S.C. § 312(d); 47 C.F.R. § 1.91(d).

10. To the extent necessary, this order also constitutes a citation, pursuant to Section 503(b)(5) of the Communications Act, 47 U.S.C. § 503(b)(5). Pursuant to Section 503(b)(5)(B), Mr. Gabelli or Gabelli Funds, Inc. may request a personal interview with an official of the Commission at the field office nearest to its place of residence or at the Commission's offices in Washington, D.C. Future conduct in violation of the rules and statutory provisions set forth above may lead to forfeitures of up to \$25,000 per day per violation.

11. IT IS FURTHER ORDERED, That the Secretary SHALL SEND copies of this order by certified mail, return receipt requested, to Mario J. Gabelli and Gabelli Funds, Inc.

FEDERAL COMMUNICATIONS COMMISSION



Donna R. Searcy
Secretary

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